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Phoenix, Az 85051

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Arizona Corporation Commission

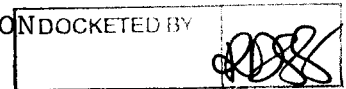
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BEFORE THE ARIZONA CORPORATION COMMISSION



IN THE MATTER OF THE APPLICATION  
BY ADAMAN MUTUAL WATER COMPANY  
FOR APPROVAL TO ISSUE STOCK

Docket No. W-01997A-09-0297

RESPONSE TO "FURTHER OBJECTION TO AMENDMENT TO APPLICATION FOR  
THE ISSUANCE OF SUBPOENAS

Having received Adaman Company Attorney's initial Objection to Issuance of Subpoenas Friday afternoon, August 13th, and responded to it this morning, August 16th, 2010, I return to the office to find the above-referred to "FURTHER OBJECTION....SUBPOENAS". I offer this not in lieu of excuse for this late response, but to explain why I am responding so late in the course of events. Had I received the "FURTHER OBJECTION" earlier (perhaps by fax), I would have responded to both the "OBJECTION" and "FURTHER OBJECTION" earlier today.

Mr Brophy wishes to treat our Company, and his relationship to it as a privately owned for-profit Corporation. It is not. It is a Mutual Corporation, formed in a non-profit Statute, FOR THE BENEFIT OF THE MEMBERS, not the COMPANY. It's "mutuality" has enabled it to survive with favorable tax status for years; it encompasses the fact that the Shareholders, of which I am but one, are an integral part of the Company, and the Company, in its current non-profit form, cannot survive without its Members/Shareholders.

1  
2 It follows that in being hired to advise the "Company", Mr Brophy  
3 would be expect to provide counsel, information, and the protection  
4 of the law to its Members/Shareholders.

5  
6 If there is an adversarial Action by the Board, or the Company,  
7 with respect to the Membership/Shareholders, Mr Brophy had an obligation  
8 to inform the Membership. Otherwise, the Membership had reason to  
9 depend on the information and legal guidance provided by Mr Brophy  
10 as representing our best interests.

11 We are more than customers of our Water Company; this is inherent  
12 in the Statutes under which our Mutual Non-profit Company was formed.

13 Since what Mr Brophy is proposing is not commonly done, and will be  
14 subject to both IRS and State Attorney General scrutiny, and since  
15 an attempt at ReOrganization which is not acceptable to the IRS would  
16 result in a huge taxable amount to the Company, and since his "sources"  
17 are expected to be part of the "public domain" (ie IRS Court Rulings,  
18 etc) disclosing these would not seem an undue burden and does not  
19 violoate "attorney-client priviledge" . Indeed, since we are paying  
20 for Mr Brophy's services, we have considered ourselves "protected"  
21 and "informed" by his counsel, so generously offered to us on many  
22 occasions. The undersigned would be satisfied with the quoting of  
23 one relevant IRS Court ruling, in the favor of the Corporation asking  
24 for tax-free ReOrganization, IN THE WAY Mr Brophy has proposed.

25  
26 Respectfully submitted, this day, August 16th, 2010.

27   
28 Lise A. LaBafre, M.D.

7102 N 35th Ave, #3,  
Phoenix, AZ 85051

602-246-3065

1 The Original and 13 copies of  
2 the above delivered to the  
3 following, this day,  
4 August 16th, 2010.

5 ACC Docket Control,  
6 1200 West Washington,  
7 Phoenix, Az 85007

8 Mr James Brophy, Atty At Law,  
9 One North Central Ave,  
10 Phoenix, AZ 85004-4417 by mail

11 Fax: 602-257-9582 by fax  
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